

In re:

Petters Company, Inc.

Debtor.

Case No.: 08-45257

Chapter 11

MONTHLY OPERATING REPORT

SUMMARY OF FINANCIAL STATUS

Month Ended: June-11 Filing Date: 10/11/2008

1 Debtor in possession (or trustee) hereby submits this Summary of Financial Status. Dollars reported in \$1.

2 Asset Structure

- a Current Assets (Market Value) \$340,714,342
- b Total Assets (Market Value) \$1,200,084,560
- c Current Liabilities \$455,566,606
- d Total Liabilities \$492,837,397

	End of Current Month	End of Prior Month	As of Petition Filing
	<u>\$340,714,342</u>	<u>\$340,622,199</u>	
	<u>\$1,200,084,560</u>	<u>\$1,199,992,417</u>	<u>\$1,196,926,112</u>
	<u>\$455,566,606</u>	<u>\$455,571,217</u>	
	<u>\$492,837,397</u>	<u>\$492,842,009</u>	<u>\$487,122,604</u>

3 Statement of Cash Receipts & Disbursements for Month

- a Total Receipts \$98,117
- b Total Disbursements \$5,791
- c Excess (Deficiency) of Receipts Over Disbursements (a-b) \$92,236
- d Cash Balance Beginning of Month \$1,275,228
- e Cash Balance End of Month (c+d) \$1,367,371

	Current Month	Prior Month	Cumulative (Case to Date)
	<u>\$98,117</u>	<u>\$653,836</u>	<u>\$3,887,859</u>
	<u>\$5,791</u>	<u>\$4,576</u>	<u>\$3,206,668</u>
	<u>\$92,236</u>	<u>\$649,260</u>	<u>\$681,191</u>
	<u>\$1,275,228</u>	<u>\$625,969</u>	
	<u>\$1,367,371</u>	<u>\$1,275,228</u>	

4 Profit/(Loss) from the Statement of Operations

5 Account Receivables (Pre and Post Petition)

6 Post-Petition Liabilities

7 Past Due Post-Petition Account Payables (over 30 days)

	Current Month	Prior Month	Cumulative (Case to Date)
	<u>\$96,754</u>	<u>\$1,624</u>	<u>-\$2,556,345</u>
	<u>\$331,667,381</u>	<u>\$331,667,381</u>	
	<u>\$121,755</u>	<u>\$126,366</u>	
	<u>\$121,755</u>	<u>\$466,083</u>	

At the end of this reporting month:

Yes No

8 Have any payments been made on pre-petition debt, other than payments in the normal course to secured creditors or lessors? (if yes, attach listing including date of payment, amount of payment and name of payee) X

9 Have any payments been made to professionals? (if yes, attach listing including date of payment, amount of payment and name of payee) X

10 If the answer is yes to 8 or 9, were all such payments approved by the court? _____

11 Have any payments been made to officers, insiders, shareholders, relatives? (if yes, attach listing including date of payment, amount and reason for payment, and name of payee) X

12 Is the estate insured for replacement cost of assets and for general liability? X

13 Are a plan and disclosure statement on file? X

14 Was there any post-petition borrowing during this reporting period? X

15 Check if paid: Post-petition taxes X; U.S. Trustee Quarterly Fees X; Check if filing is current for: Post-petition tax reporting and tax returns: X. (Attach explanation, if post-petition taxes or U.S. Trustee Quarterly Fees are not paid current or if post-petition tax reporting and tax return filings are not current.)

The above summary and attached pages are based on Debtor's books and records, the completeness, validity and accuracy of which is in question. This information is compiled from various sources and represents a good faith estimate. Based on information uncovered during the related federal fraud investigation, the market value of all assets, and the likelihood receivables will be collected, has been called into question and may ultimately be zero. I declare under penalty of perjury that I have reviewed the above summary and attached pages (if applicable), and after making reasonable inquiry believe these documents are correct.

Date: 8/11/11

Responsible Individual

Douglas A. Kelley

Debtor/Trustee's Certification

Name of Attorney: James A. Lodoen
Lindquist & Vennum PLLP
Address: 4200 IDS CENTER
80 South Eighth Street
City, State, Zip: Minneapolis, MN 55402
Telephone: 612-371-3211

I CERTIFY UNDER PENALTY OF PERJURY THAT I HAVE REVIEWED THE FOLLOWING COMPLETE MONTHLY OPERATING REPORT (MOR), CONSISTING OF MOR-1 THROUGH MOR-11, PLUS ALL ATTACHMENTS, AND AFTER MAKING REASONABLE INQUIRY, BELIEVE THESE ARE TRUE AND CORRECT.

Signed: Douglas A. Kelley
(Original Signature) Title: Trustee
Douglas A. Kelley Date: 8/11/11

The above summary and attached pages are based on Debtor's books and records, the completeness, validity and accuracy of which is in question. This information is compiled from various sources and represents a good faith estimate. Based on information uncovered during the related federal fraud investigation, the market value of all assets, and the likelihood receivables will be collected, has been called into question and may ultimately be zero.

Balance Sheet

As of June 30, 2011

2:09 PM

07/12/11

Accrual Basis

	Jun 30, 11	May 31, 11	\$ Change
ASSETS			
Current Assets			
Checking/Savings			
Crown Bank	3,384.87	3,404.49	-19.62
M & I Bank	9,554.37	105.98	9,448.39
US BANK CLAWBACK PROCEEDS	471,524.09	388,810.44	82,713.65
US Bank Collateral Account	882,907.39	882,907.39	0.00
Total Checking/Savings	1,367,370.72	1,275,228.30	92,142.42
Other Current Assets			
AR-Metro Gem FF	28,235,010.75	28,235,010.75	0.00
AR-Metro Gem Inc.	146,853,176.40	146,853,176.40	0.00
Employee Receivables	21,934.62	21,934.62	0.00
Intercompay Receivables			
I/C AR-FDM	5,600.83	5,600.83	0.00
I/C AR-Petters Consumer Brands	4,573.80	4,573.80	0.00
I/C AR-Petters Group LLC	1,640.13	1,640.13	0.00
I/C AR Broadsign	172,109.11	172,109.11	0.00
I/C AR Polaroid Corporation	219.17	219.17	0.00
I/C AR- Sun Country Airlines	268.15	268.15	0.00
I/C AR-Aaron Chang Intl LLC	-2,764.32	-2,764.32	0.00
I/C AR-O'Shaughnessy Holding	15,293.73	15,293.73	0.00
I/C AR-Petters Capital LLC	2,190.22	2,190.22	0.00
I/C AR-Petters Media Marketing	483.50	483.50	0.00
I/C AR-TMI	58,206.88	58,206.88	0.00
I/C AR-TPI	6,641.09	6,641.09	0.00
I/C AR-YFly	437.30	437.30	0.00
I/C AR - Zink Imaging	44,098.54	44,098.54	0.00
I/C AR Petters Hospitality	12,374.98	12,374.98	0.00
I/C AR Pol Hospitality	11.60	11.60	0.00
I/C AR Polaroid Consumer Electr	394.53	394.53	0.00
I/C AR SPEs	36,092.50	36,092.50	0.00
Total Intercompay Receivables	357,871.74	357,871.74	0.00
Inventory	7,679,590.00	7,679,590.00	0.00
Notes Receivable Current			
IC Notes Rec-Edge One LLC	30,180,115.70	30,180,115.70	0.00
IC Notes Rec-P Capital	82,319,598.43	82,319,598.43	0.00
IC Notes Rec-P Finance	-1,436.22	-1,436.22	0.00
IC Notes Rec-Petters I	11,082,864.19	11,082,864.19	0.00
IC Notes Rec-Petters Ltd.	5,211,889.15	5,211,889.15	0.00
IC Notes Rec.- PAC Funding	25,853,849.20	25,853,849.20	0.00
Total Notes Receivable Current	154,646,880.45	154,646,880.45	0.00
Other Receivables	1,552,507.22	1,552,507.22	0.00
Total Other Current Assets	339,346,971.18	339,346,971.18	0.00

Balance Sheet

As of June 30, 2011

2:09 PM

07/12/11

Accrual Basis

	Jun 30, 11	May 31, 11	\$ Change
Total Current Assets	340,714,341.90	340,622,199.48	92,142.42
Fixed Assets			
Equipment	7,656.73	7,656.73	0.00
Equipment- Accumulated Deprec	-4,189.00	-4,189.00	0.00
Total Fixed Assets	3,467.73	3,467.73	0.00
Other Assets			
IC Notes Receivable			
I/C NR--P AVIATION LEASING	1,764,544.00	1,764,544.00	0.00
I/C NR- PWD	709,606.95	709,606.95	0.00
I/C NR-FAC	4,524,194.81	4,524,194.81	0.00
I/C NR-P Capital LLC	80,792,536.38	80,792,536.38	0.00
I/C NR-P Capital tax adj	10,037,016.00	10,037,016.00	0.00
I/C NR-P Fashion Group	17,822,884.12	17,822,884.12	0.00
I/C NR-PCB	8,982,645.00	8,982,645.00	0.00
I/C NR-PCLLC	23,449,816.09	23,449,816.09	0.00
I/C NR-Petters VB, LLC	10,468,819.04	10,468,819.04	0.00
I/C NR-PGLLC	15,823,899.23	15,823,899.23	0.00
I/C NR-Springworks-Symorphics	21,403,796.00	21,403,796.00	0.00
I/C NR-Springworks-WC	24,517,569.87	24,517,569.87	0.00
I/C NR-TPI	24,713,559.11	24,713,559.11	0.00
I/C NR - Centr Amer Hldg LLC	15,390,000.00	15,390,000.00	0.00
I/C NR P Aviation	2,852,548.61	2,852,548.61	0.00
IC NR-Trio Marketing	479,792.76	479,792.76	0.00
Total IC Notes Receivable	263,733,227.97	263,733,227.97	0.00
IC Notes Receivable-Interest			
I/C NR Int-P Capital LLC	18,975,629.31	18,975,629.31	0.00
I/C NR Int-Springworks-Symorphi	20,533,374.96	20,533,374.96	0.00
I/C NR Int.-Springworks-WC	15,327,185.27	15,327,185.27	0.00
I/C NR Interest-FAC	15,377,477.28	15,377,477.28	0.00
I/C NR Interest-FDM	96,250.00	96,250.00	0.00
I/C NR Interest-P Fashion Group	8,115,086.04	8,115,086.04	0.00
I/C NR Interest-PCB	1,982,395.27	1,982,395.27	0.00
I/C NR Interest-PCLLC	27,801,483.52	27,801,483.52	0.00
I/C NR Interest-PGLLC	-67,320,778.01	-67,320,778.01	0.00
I/C NR Interest P Aviation	810,933.33	810,933.33	0.00
IC NR Interest-Central Am Hold	658,248.80	658,248.80	0.00
IC NR Interest-Trio Mkt.	178,423.90	178,423.90	0.00
Total IC Notes Receivable-Interest	42,535,709.67	42,535,709.67	0.00
Investment			
Entrepreneur's Place,	250,000.00	250,000.00	0.00
Ethanol Plant	250,000.00	250,000.00	0.00
ZINK	23,062,000.00	23,062,000.00	0.00

2:09 PM

07/12/11

Accrual Basis

Balance Sheet

As of June 30, 2011

	Jun 30, 11	May 31, 11	\$ Change
Total Investment	23,562,000.00	23,562,000.00	0.00
Investment in Subsidiaries			
1000 Lakes	172,860,420.46	172,860,420.46	0.00
Central Am Holding	55,000.00	55,000.00	0.00
FDM-FAC Stock	24,000,000.00	24,000,000.00	0.00
Fingerhut Direct Mktg.	11,604,062.99	11,604,062.99	0.00
P Capital LLC	200,000,000.00	200,000,000.00	0.00
Total Investment in Subsidiaries	408,519,483.45	408,519,483.45	0.00
Notes Receivable			
Note Receivable-BLS Sales			
NR Interest BLS	99,574.55	99,574.55	0.00
Note Receivable-BLS Sales - Other	1,788,764.79	1,788,764.79	0.00
Total Note Receivable-BLS Sales	1,888,339.34	1,888,339.34	0.00
Note Receivable-Tom Petters	65,176,733.37	65,176,733.37	0.00
NR-TJP/PCB	10,000,000.00	10,000,000.00	0.00
Polaroid			
Interest Rec. Polaroid	7,551,780.81	7,551,780.81	0.00
Polaroid - Other	20,000,000.00	20,000,000.00	0.00
Total Polaroid	27,551,780.81	27,551,780.81	0.00
Rainmaker	85,000.00	85,000.00	0.00
Savage Enterprises	495,000.00	495,000.00	0.00
Turpin NR	70,000.00	70,000.00	0.00
Zink			
Interest Rec.--Zink	3,057,476.05	3,057,476.05	0.00
Zink - Other	12,692,000.00	12,692,000.00	0.00
Total Zink	15,749,476.05	15,749,476.05	0.00
Total Notes Receivable	121,016,329.57	121,016,329.57	0.00
Total Other Assets	859,366,750.66	859,366,750.66	0.00
TOTAL ASSETS	1,200,084,560.29	1,199,992,417.87	92,142.42
LIABILITIES & EQUITY			
Liabilities			
Current Liabilities			
Accounts Payable			
Accounts Payable	587,837.56	592,449.31	-4,611.75
Total Accounts Payable	587,837.56	592,449.31	-4,611.75
Other Current Liabilities			
Deferred Income	862,797,152.01	862,797,152.01	0.00
Deferred Income Adjustments	-759,926,941.80	-759,926,941.80	0.00

2:09 PM

07/12/11

Accrual Basis

Balance Sheet

As of June 30, 2011

	Jun 30, 11	May 31, 11	\$ Change
Due to Central America Holdings	93,235.00	93,235.00	0.00
Due to PC Funding	18,968,380.62	18,968,380.62	0.00
Due to PCE	5,500,000.00	5,500,000.00	0.00
Notes Payable Current			
Notes Payable--Apriven	41,500,000.00	41,500,000.00	0.00
Notes Payable--Interlachen	60,000,000.00	60,000,000.00	0.00
Notes Payable--P Capital LLC	1,000,000.00	1,000,000.00	0.00
Notes Payable--Ritchie	31,000,000.00	31,000,000.00	0.00
Notes Payable-MGI	130,330,000.00	130,330,000.00	0.00
Notes Payable-MGI FF	27,620,000.00	27,620,000.00	0.00
Total Notes Payable Current	291,450,000.00	291,450,000.00	0.00
Notes Payable Interest			
Interest Payable--Apriven	1,631,833.33	1,631,833.33	0.00
Interest Payable--Interlachen	11,540,983.61	11,540,983.61	0.00
Interest Payable--P Capital LLC	42,074.48	42,074.48	0.00
Interest Payable--Ritchie Capit	11,576,721.31	11,576,721.31	0.00
Interest Payable-MGI	9,413,763.33	9,413,763.33	0.00
Interest Payable-MGI FF	1,891,566.11	1,891,566.11	0.00
Total Notes Payable Interest	36,096,942.17	36,096,942.17	0.00
Total Other Current Liabilities	454,978,768.00	454,978,768.00	0.00
Total Current Liabilities	455,566,605.56	455,571,217.31	-4,611.75
Long Term Liabilities			
Notes Payable			
Notes Payable Other	10,075,000.00	10,075,000.00	0.00
Notes Payable Other Interest	294,508.19	294,508.19	0.00
Total Notes Payable	10,369,508.19	10,369,508.19	0.00
Private Investor Notes			
Private Investor-Interest	751,283.33	751,283.33	0.00
Private Investor-Principal	26,150,000.00	26,150,000.00	0.00
Total Private Investor Notes	26,901,283.33	26,901,283.33	0.00
Total Long Term Liabilities	37,270,791.52	37,270,791.52	0.00
Total Liabilities	492,837,397.08	492,842,008.83	-4,611.75
Equity			
Capital Stock	15,605,000.00	15,605,000.00	0.00
Dividends Paid	-11,018,879.92	-11,018,879.92	0.00
Retained Earnings	594,105,178.38	594,105,178.38	0.00
Retained Earnings 2003	65,273,683.97	65,273,683.97	0.00
Retained Earnings PC Fund 2002	46,143,659.89	46,143,659.89	0.00
Net Income	-2,861,479.11	-2,958,233.28	96,754.17

PETTERS COMPANY, INC.**Balance Sheet**

As of June 30, 2011

2:09 PM

07/12/11

Accrual Basis

	Jun 30, 11	May 31, 11	\$ Change
Total Equity	707,247,163.21	707,150,409.04	96,754.17
TOTAL LIABILITIES & EQUITY	1,200,084,560.29	1,199,992,417.87	92,142.42

2:10 PM

07/12/11

Accrual Basis

Document Page 8 of 22
PETTERS COMPANY, INC.**Profit & Loss**

June 2011

Jun 11

Ordinary Income/Expense	
Expense	
Bank Service Charges	87.83
Contributions	-38,000.00
Insurance	-9,516.60
Printing and Reproduction	1,274.60
Professional Fees	
Legal Fees	-15,600.00
Other	-35,000.00
Total Professional Fees	-50,600.00
Total Expense	-96,754.17
Net Ordinary Income	96,754.17
Net Income	96,754.17

2:09 PM

07/12/11

Accrual Basis

Document Page 9 of 22

PETTERS COMPANY, INC.

Profit & Loss

October 12, 2008 through June 30, 2011

Oct 12, '08 - Jun 30, 11

Ordinary Income/Expense	
Expense	
Amortization Expense	0.00
Bank Service Charges	1,613.99
Contributions	-38,000.00
Filing Fees	18,265.00
Insurance	
Liability Insurance	-144,524.76
Insurance - Other	116,862.21
Total Insurance	-27,662.55
Payroll Service Expense-ADP	4,144.80
Postage and Delivery	188.63
Printing and Reproduction	8,584.46
Professional Fees	
Accounting	999,295.84
Consulting	395,247.11
Legal Fees	1,113,325.15
Other	376,468.30
Total Professional Fees	2,884,336.40
Rent	18,378.78
Salaries and Benefits	
Benefits	6,037.52
Bonuses	-455,000.00
Payroll Taxes	19,426.29
Salaries and wages	252,853.76
Total Salaries and Benefits	-176,682.43
Supplies	
Office	41.62
Total Supplies	41.62
Telephone	983.10
Travel & Ent	
Travel	-6,587.47
Total Travel & Ent	-6,587.47
Total Expense	2,687,604.33
Net Ordinary Income	-2,687,604.33
Other Income/Expense	
Other Income	
Interest BLS	127,017.55
Interest Income	231.04
Other Income	752.04
Total Other Income	128,000.63
Other Expense	
Other Expenses	
Interest Expense Lancer	-3,258.90
Total Other Expenses	-3,258.90
Total Other Expense	-3,258.90
Net Other Income	131,259.53
Net Income	<u>-2,556,344.80</u>

CASH RECEIPTS AND DISBURSEMENTS (Calendar Quarter)

	Month 1 of Quarter	Month 2 of Quarter	Month 3 of Quarter	Quarter Total
1 Cash-Beginning of Month	\$ 657,765.79	\$ 648,394.39	\$ 1,275,228.30	\$ 2,581,388.48
RECEIPTS FROM OPERATIONS				
2 Cash Sales	\$ -	\$ -	\$ -	\$ -
3 Less: Cash Refunds	\$ -	\$ -	\$ -	\$ -
4 Net Cash Sales	\$ -	\$ -	\$ -	\$ -
COLLECTIONS OF ACCTS. REC.				
5 Pre-Petition	\$ -	\$ -	\$ -	\$ -
6 Post-Petition	\$ -	\$ -	\$ -	\$ -
7 Other : Bank Account Interest	\$ -	\$ -	\$ -	\$ -
8 Total Operating Receipts (lines 4+5+6+7)	\$ -	\$ -	\$ -	\$ -
NON-OPERATING RECEIPTS				
9 Loans/Advances (Receiver)	\$ -	\$ -	\$ -	\$ -
10 Sale of Assets	\$ -	\$ -	\$ -	\$ -
11 Other : Avoidance Recovery	\$ -	\$ 6,383.90	\$ 88,600.00	\$ 94,983.90
Other : Insurance Policy Surrender	\$ -	\$ 647,451.39	\$ 9,516.60	\$ 656,967.99
12 Total Non-Operating Receipts (lines 9+10+11)	\$ -	\$ 653,835.29	\$ 98,116.60	\$ 751,951.89
13 Total Receipts (lines 8+12)	\$ -	\$ 653,835.29	\$ 98,116.60	\$ 751,951.89
14 Total Cash Available (lines 13+1)	\$ 657,765.79	\$ 1,302,229.68	\$ 1,373,344.90	
Case Name:				
Case Number:				
OPERATING DISBURSEMENTS				
15 Net Payroll	\$ 7,461.52	\$ 3,730.76	\$ 3,730.76	\$ 14,923.04
16 Payroll Taxes-Paid	\$ 1,483.03	\$ 697.65	\$ 697.65	\$ 2,878.33
17 Sales, Use & Other Taxes Paid	\$ -	\$ -	\$ -	\$ -
18 Secured/Rental/Leases	\$ -	\$ -	\$ -	\$ -
19 Employee Benefits	\$ -	\$ -	\$ -	\$ -
20 Utilities	\$ -	\$ -	\$ -	\$ -
21 Insurance	\$ -	\$ -	\$ -	\$ -
22 Inventory Purchases	\$ -	\$ -	\$ -	\$ -
23 Vehicle Expense	\$ -	\$ -	\$ -	\$ -
24 Travel	\$ -	\$ -	\$ -	\$ -
25 Entertainment	\$ -	\$ -	\$ -	\$ -
26 Repairs & Maintenance	\$ -	\$ -	\$ -	\$ -
27 Supplies	\$ -	\$ -	\$ -	\$ -
28 Advertising	\$ -	\$ -	\$ -	\$ -
29 Other:Messenger Fee	\$ -	\$ -	\$ 183.34	
30 Other:Bank Service Charges	\$ 426.85	\$ 147.97	\$ 87.83	\$ 662.65
31 Other: Court Fees	\$ -	\$ -	\$ -	\$ -
32 Other: ADP Service Charge	\$ -	\$ -	\$ -	\$ -
33 Total Operating Disbursements	\$ 9,371.40	\$ 4,576.38	\$ 4,699.58	\$ 18,647.36
REORGANIZATION EXPENSES				
34 Professional Fees	\$ -	\$ -	\$ -	\$ -
35 U.S. Trustee Quarterly Fees	\$ -	\$ 22,425.00	\$ -	\$ 22,425.00
36 Other: Litigation Expense	\$ -	\$ -	\$ 1,274.60	\$ 1,274.60
37 Other:	\$ -	\$ -	\$ -	\$ -
38 Other: Filing fees	\$ -	\$ -	\$ -	\$ -
39 Total Reorganization Expenses	\$ -	\$ 22,425.00	\$ 1,274.60	\$ 23,699.60
40 Total Disbursements (lines 31+36)	\$ 9,371.40	\$ 27,001.38	\$ 5,974.18	\$ 42,346.96
41 Cash - End of Month	\$ 648,394.39	\$ 1,275,228.30	\$ 1,367,370.72	

Case Name: Petters Company, Inc.

Case Number: 08-45257

ITEMIZATION OF CASH RECEIPTS

CHECKS RECEIVED BUT NOT DEPOSITED

Date Issued	Payee	Description	Amount

2:12 PM

07/12/11

Document Page 12 of 22
PETTERS COMPANY, INC.**Deposit Detail**

June 2011

Type	Num	Date	Name	Account	Amount
Deposit		6/20/2011		US BANK CLAWB...	38,000.00
			CLAWBACKS	Contributions	-38,000.00
TOTAL					-38,000.00
Deposit		6/21/2011		M & I Bank	9,516.60
			Aviva Life and Annu...	Insurance	-6,919.66
			Aviva Life and Annu...	Insurance	-2,596.94
TOTAL					-9,516.60
Deposit		6/22/2011		US BANK CLAWB...	50,600.00
			MOSS & BARNETT...	Legal Fees	-15,600.00
			RUDMAN PARTNE...	Other	-35,000.00
TOTAL					-50,600.00

78,116.60

Case Name: Petters Company, Inc.
 Case Number: 08-45257

ITEMIZATION OF CASH DISBURSEMENTS

Date Paid	Payee	Description	Check Number	Amount
6/13/2011	M&I Bank	service charge		\$ 68.21
6/17/2011	IKON Office	document production	wire	\$ 1,274.60
6/17/2011	PGW	salaries/wages and payroll taes	wire	\$ 4,428.41
6/17/2011	PGW	messenger fee	wire	\$ 183.34
6/30/2011	Crown Bank	service charge	wire	\$ 19.62
TOTAL				\$ 5,974.18

CHECKS ISSUED BUT NOT PRESENTED FOR PAYMENT

Date Issued	Payee	Description	Check Number	Amount
TOTAL				
GRAND TOTAL				\$ 5,974.18

2:13 PM

07/12/11

Document Page 14 of 22
PETTERS COMPANY, INC.**Check Detail**

June 2011

Type	Num	Date	Name	Item	Account	Paid Amount	Original Amount
Check	wire	6/13/2011	M & I Bank		M & I Bank		-68.21
					Bank Service Char..	-68.21	68.21
TOTAL						-68.21	68.21
Bill Pmt -Check	wire	6/17/2011	PETTERS GROUP...		US BANK CLAWB...		-4,611.75
Bill	8334	5/26/2011			Postage and Deliv...	-183.34	183.34
Bill	8333	5/31/2011			Salaries and wages	-3,730.76	3,730.76
					Payroll Taxes	-697.65	697.65
TOTAL						-4,611.75	4,611.75
Check	wire	6/17/2011	IKON Office Solu...		US BANK CLAWB...		-1,274.60
					Printing and Repro...	-1,274.60	1,274.60
TOTAL						-1,274.60	1,274.60
Check	wire	6/30/2011	crown bank		Crown Bank		-19.62
					Bank Service Char...	-19.62	19.62
TOTAL						-19.62	19.62

\$5,974.18

Case Name:	Petters Company, Inc.					
Case Number:	08-45257					
BANK RECONCILIATIONS						
MONTH: June-11						
<p>The Debtor in Possession must complete the Reconciliation below for each bank account (e.g., General Payroll, Tax, etc.), including all savings and investment accounts (e.g., money market accounts, certificates of deposit, government obligation, etc.). Attach additional sheets if necessary.</p>						
Bank Account Purpose: Bank Account Number:	Acct: Crown payroll No: 1102227	Acct: M&I operating No: 1959018	US Bank Acct: clawback No:	US Bank collateral Acct: No:	US Bank operating No: 1 047 7931 5084	Month Total
1 Balance Per Bank Statement	\$3,384.87	\$9,554.37	\$471,524.09	\$882,907.39	\$0.00	\$1,275,228.30
2 Add: Total Deposits Not Credited	\$0	\$0	\$0	\$0	\$0	\$0.00
3 Add: Service Charges	\$0.00	\$0.00	\$0.00	\$0	\$0	\$0.00
4 Subtract: Outstanding Checks	\$0		\$0.00	\$0	\$0	\$0.00
5 Subtract: Interest Earned	\$0	\$0	\$0	\$0	\$0	\$0
End of Month Bank Balance	\$3,384.87	\$9,554.37	\$471,524.09	\$882,907.39	\$0.00	\$1,275,228.39
6 Per Books	\$3,384.87	\$9,554.37	\$471,524.09	\$882,907.39	\$0.00	\$1,275,228.30

Investment Accounts:

	Account Name and Number	Date of Purchase	Type of Instrument	Purchase Price	Current Value
7	NONE				
8					
9					
10					
11	TOTAL				
Total Cash - End of Month: (lines 6+11)					#####

Case Name:
Case Number:

Petters Company, Inc.
08-45257

PAYMENTS TO INSIDERS AND PROFESSIONALS

Of the total disbursements shown for the month, please list the amount paid to insiders (as defined in Section 101 (31) (A)-(F) of the U.S. Bankruptcy Code) and the professionals. Also, for payments to insiders identify the type of compensation paid (e.g., salary, bonus, commission, insurance, housing allowance, travel, car allowance, etc.) Attach additional pages as necessary.

	Insiders: Name	Type of Compensation	Month 1	Month 2	Month 3	Quarter Total
1	NONE					
2						
3						
4						
5						
6						
7						
8						
9						
10						
11						
12	Total Payments to Insiders		\$ -	\$ -	\$ -	\$ -

	Professionals: Name	Date of Court Order Authorizing Payment	Month 1	Month 2	Month 3	Quarter Total
13						
14						
15						
16						
17						
18						
19						
20						
21						
17						
18						
19	Total: Professionals		\$ -	\$ -	\$ -	\$ -

STATUS OF POST-PETITION TAXES

Month: June-11

	FEDERAL	Beginning Tax Liability*	Amount Withheld and/or Accrued	Amount Paid	Ending Tax Liability
1	Withholding**	\$0	\$0	\$0	\$0
2	FICA-Employee**	\$0	\$0	\$0	\$0
3	FICA-Employer**	\$0	\$0	\$0	\$0
4	Unemployment	\$0	\$0	\$0	\$0
5	Income	unknown	\$0	\$0	unknown
6	Other (list)	\$0	\$0	\$0	\$0
7	Total Federal Taxes	\$0	\$0	\$0	\$0
<hr/>					
	STATE & LOCAL				
8	Withholding	\$0	\$0	\$0	\$0
9	Sales	\$0	\$0	\$0	\$0
10	Excise	\$0	\$0	\$0	\$0
11	Unemployment	\$0	\$0	\$0	\$0
12	Other	\$0	\$0	\$0	\$0
13	Real Property	\$0	\$0	\$0	\$0
14	Personal Property	\$0	\$0	\$0	\$0
15	Other (list)	\$0	\$0	\$0	\$0
16	Total State & Local Taxes	\$0	\$0	\$0	\$0
17	TOTAL TAXES DUE	\$0	\$0	\$0	\$0

List any pre-petition taxes paid during reporting period:

none

Explain the reason for any payment on pre-petition taxes:

DEBTOR HAS NOT PAID ANY PRE-PETITION TAXES.

Explain the reason any post-petition taxes are past due:

TO MY KNOWLEDGE, NO POST PETITION TAXES ARE PAST DUE.

* The beginning tax liability should represent the liability from the prior month, or if this is the first operating report, the amount should be zero.

** Attach photocopies of IRS Form 6123 or your FTD coupon and payment receipt to verify payments or deposits.

Case Name:
Case Number:

08-45257

AGING SCHEDULE OF POST-PETITION PAYABLES

Month: June-11

	Accounts Payable: Vendor	Current 0-30 Days	31-60 Days	61-90 Days	91 & Over Days	TOTAL
1	See attached					\$ -
2						\$ -
3						\$ -
4						\$ -
5						\$ -
6						\$ -
7						\$ -
8						\$ -
9						\$ -
10						\$ -
11						\$ -
12						\$ -
13						\$ -
14						\$ -
TOTAL PAYABLES		\$ -	\$ -	\$ -	\$ -	\$ -
<hr/>						
	TAXES PAYABLE					
	Taxing Authority					
16	Federal					\$ -
17	State					\$ -
18						\$ -
19						\$ -
20						\$ -
21						\$ -
TOTAL TAXES		\$ -	\$ -	\$ -	\$ -	\$ -

As of June 30, 2011

Current

Current

Total Current

1 - 30

Total 1 - 30

31 - 60

Total 31 - 60

61 - 90

Total 61 - 90

> 90

Bill	10/27/2008	Acct #836794113	AT&T Mobility	11/06/2008	966	221.28
Bill	11/07/2008	Acct #731540364	AT&T Mobility	11/17/2008	955	312.59
Bill	11/10/2008	Inv #1931296133	Verizon Wireless-PA	11/20/2008	952	102.57
Bill	11/26/2008	Acct #836794113	AT&T Mobility	12/06/2008	936	236.43
Credit	12/06/2008	Inv #1944107505	Verizon Wireless-PA			-49.48
Credit	12/22/2008	Inv #1951785990	Verizon Wireless-PA			-62.12
Bill	02/20/2009	#B05003367	INDIANAPOLIS LIFE INSURANCE	01/09/2009	902	13,221.80
Bill	01/01/2009	Policy #B05005420	INDIANAPOLIS LIFE INSURANCE	01/16/2009	895	14,500.00
Bill	01/06/2009	Acct #731540364	AT&T Mobility	01/16/2009	895	215.01
Bill	01/22/2009	Inv #1964743722	Verizon Wireless-PA	02/01/2009	879	6.82
Bill	03/01/2009	Inv #10/10/08	PETTERS GROUP, LLC	03/01/2009	851	1,619.26
Bill	03/27/2009	Policy #100051331	Aviva Life and Annuity Company	04/06/2009	815	35,080.51
Bill	06/22/2009	#77868552	PRUDENTIAL	07/10/2009	720	56,350.00

> 90

TOTAL POST PETITION LIABILITIES

121,754.67

PRE PETITION LIABILITIES

> 90

Bill	01/08/2004	#CWC 0323463	HARRIS HOMEYER COMPANY	01/18/2004	2,720	215.08
Credit	11/01/2005	CRM185	PETTERS GROUP, LLC			-47.57
Credit	11/01/2005	CRM184	PETTERS GROUP, LLC			-47.57
Bill	07/01/2008	INV #7532	PETTERS GROUP, LLC	07/01/2008	1,094	75,000.00
Bill	07/09/2008	Inv #7641	PETTERS GROUP, LLC	07/09/2008	1,086	70.73
Credit	07/17/2008	PCI Inv #14375	Petters Capital, LLC			-6,775.00
Bill	07/17/2008	Inv #7671	PETTERS GROUP, LLC	07/17/2008	1,078	613.85
Bill	07/21/2008	Inv #7688	PETTERS GROUP, LLC	07/21/2008	1,074	4,063.48
Bill	07/31/2008	Inv #7754	PETTERS GROUP, LLC	07/31/2008	1,064	437.16
Bill	07/31/2008	Inv #7761	PETTERS GROUP, LLC	07/31/2008	1,064	3,238.53
Bill	08/01/2008	Inv #7719	PETTERS GROUP, LLC	08/01/2008	1,063	75,000.00
Bill	08/01/2008	Inv #7703	PETTERS GROUP, LLC	08/01/2008	1,063	4,280.00
Bill	07/23/2008	Inv #1887927533	Verizon Wireless-PA	08/02/2008	1,062	138.18
Bill	08/12/2008	Inv #7780	PETTERS GROUP, LLC	08/12/2008	1,052	82.55
Bill	08/12/2008	Inv #7784	PETTERS GROUP, LLC	08/12/2008	1,052	32.00
Bill	08/01/2008	Inv #20060192	THOMAS PETTERS, INC.	08/16/2008	1,048	12,500.00
Bill	08/25/2008	Inv #7820	PETTERS GROUP, LLC	08/25/2008	1,039	3.19
Bill	08/25/2008	Inv #7831	PETTERS GROUP, LLC	08/25/2008	1,039	16.00
Bill	08/15/2008	Inv #20060193	THOMAS PETTERS, INC.	08/30/2008	1,034	12,500.00
Bill	08/21/2008	#3410503468431	Sam's Club	08/31/2008	1,033	210.00
Bill	08/21/2008	Inv #1006105	FREDRIKSON & BYRON	08/31/2008	1,033	1,897.60
Bill	08/31/2008	Inv #7871	PETTERS GROUP, LLC	08/31/2008	1,033	3,238.53
Bill	08/31/2008	Inv #7850	PETTERS GROUP, LLC	08/31/2008	1,033	475.21
Bill	08/31/2008	Inv #7860	PETTERS GROUP, LLC	08/31/2008	1,033	6,195.99
Bill	09/01/2008	Inv #7901	PETTERS GROUP, LLC	09/01/2008	1,032	75,000.00
Bill	09/01/2008	Inv #7886	PETTERS GROUP, LLC	09/01/2008	1,032	4,280.00
Bill	09/01/2008	Inv #7981	PETTERS GROUP, LLC	09/01/2008	1,032	4,280.00
Bill	09/01/2008	Inv #8079	PETTERS GROUP, LLC	09/01/2008	1,032	12,685.89
Bill	09/01/2008	Inv #20060194	THOMAS PETTERS, INC.	09/16/2008	1,017	12,500.00

Type	Date	Num	Name	Due Date	Aging	Open Balance
Bill	09/06/2008	Inv #1905753291	Verizon Wireless-PA	09/16/2008	1,017	107.55
Bill	09/06/2008	Policy #100053597	INDIANAPOLIS LIFE INSURANCE	09/21/2008	1,012	20,783.15
Bill	09/24/2008	Inv #292946468	FEDERAL EXPRESS	09/24/2008	1,009	98.42
Bill	09/15/2008	Inv #224567	Street Fleet	09/25/2008	1,008	19.01
Bill	09/25/2008	Inv #888966713	FEDERAL EXPRESS	09/25/2008	1,008	32.20
Bill	09/25/2008	Inv #7969	PETTERS GROUP, LLC	09/25/2008	1,008	7,269.42
Bill	09/15/2008	Inv #20060195	THOMAS PETTERS, INC.	09/30/2008	1,003	12,500.00
Bill	09/15/2008	Acct #341724234	T-Mobile	09/30/2008	1,003	67.19
Bill	09/30/2008	Inv #8047	PETTERS GROUP, LLC	09/30/2008	1,003	3,238.53
Bill	09/30/2008	Inv #8012	PETTERS GROUP, LLC	09/30/2008	1,003	3,438.36
Bill	09/30/2008	Inv #8032	PETTERS GROUP, LLC	09/30/2008	1,003	387.99
Bill	09/30/2008	Inv #8020	PETTERS GROUP, LLC	09/30/2008	1,003	1,173.52
Bill	09/30/2008	Inv #8087	PETTERS GROUP, LLC	09/30/2008	1,003	13.09
Bill	09/30/2008	Inv #8091	PETTERS GROUP, LLC	09/30/2008	1,003	57.59
Bill	10/01/2008	Inv #7993	PETTERS GROUP, LLC	10/01/2008	1,002	75,000.00
Credit	10/01/2008	CRM0007969	PETTERS GROUP, LLC			-182.70
Credit	10/01/2008	CRM000745	PETTERS GROUP, LLC			-75,000.00
Bill	09/23/2008	Inv #731540364	AT&T Mobility	10/03/2008	1,000	890.81
Bill	09/23/2008	Acct #836794113	AT&T Mobility	10/03/2008	1,000	501.46
Bill	10/06/2008	Inv #8070	PETTERS GROUP, LLC	10/06/2008	997	20.00
Bill	10/01/2008	Inv #249	200 Water LLC	10/11/2008	992	1,680.00
Bill	10/01/2008	1010440	FREDRIKSON & BYRON	10/11/2008	992	806.40
Bill	10/01/2008	1010433	FREDRIKSON & BYRON	10/11/2008	992	51,842.80
Bill	10/01/2008	1010417	FREDRIKSON & BYRON	10/11/2008	992	14,812.77
Bill	10/01/2008	1010418	FREDRIKSON & BYRON	10/11/2008	992	5,957.46
Bill	10/11/2008	Inv #8104	PETTERS GROUP, LLC	10/11/2008	992	49.68
Bill	10/01/2008	Inv #20060196	THOMAS PETTERS, INC.	10/16/2008	987	12,500.00
Bill	10/06/2008	Inv #1918501285	Verizon Wireless-PA	10/16/2008	987	389.23
Bill	10/07/2008	Acct #731540364	AT&T Mobility	10/17/2008	986	1,241.78
Bill	10/03/2008	#100051331	INDIANAPOLIS LIFE INSURANCE	10/18/2008	985	24,290.02
Bill	10/10/2008	Inv #12747	Alliance Courier	10/20/2008	983	13.33

TOTAL PRE PETITION LIABILITIES

466,082.89

TOTAL LIABILITIES

\$ 587,837.56

Case Name:

Case Number:

Petters Company, Inc.

08-45257

**POST-PETITION STATUS OF SECURED NOTES, LEASES
PAYABLE AND ADEQUATE PROTECTION PAYMENTS**

Month: June-11

Post-Petition Secured Notes, Leases Payable and Adequate Protection Payments (Unpaid Post-Petition Only)		Scheduled Monthly Payment Due	Amount Paid During Month	Total Unpaid
	List Creditor/Lessor *			\$ -
22	NONE			\$ -
23				\$ -
24				\$ -
25				\$ -
26				\$ -
TOTAL DUE		\$ -	\$ -	\$ -

* A creditor or lessor who is also an officer, shareholder or an insider by reason of relationship or control, is to be identified by **.

ACCOUNTS RECEIVABLE AGING

	AGING	Month 1 of Quarter	Month 2 of Quarter	Month 3 of Quarter
1	none			
2				
3				
4				
5				

Case Name: Petters Company, Inc.

United States Bankruptcy Court District of Minnesota

Case Number: 08-45257 Division

Month: June-11

1 Taxes:

Are all post-petition payroll, state and federal taxes current?

Yes No

Are all post-petition income taxes, state and federal, current?

Yes No

Are all other post-petition taxes current?

Yes No

If the answer to any of the questions above is no, please list the balances which are outstanding on the schedules of post-petition taxes payable.

2 Insurance

Are workers compensation, general liability and other necessary insurance in effect?

Yes No

Are all premium payments current?

Yes No

PLEASE ITEMIZE ALL POLICIES:

Type of Policy	Carrier	Expiration Date	Installment Payment Amount	Period Covered	Paid Through
A Commercial Liability	The Hanover Insurance Group	9/30/2011	\$1,130.41	09/30/10-09/30/11	9/30/2011
B Workers Compensation	The Hanover Insurance Group	9/30/2011	\$826.00	09/30/10-09/30/11	9/30/2011

3 Have any payments been made to any pre-petition creditors?

Secured Yes No

Priority Yes No

Unsecured Yes No

If yes, please identify to whom the payment(s) has been made, the date(s) and the amount(s).

4 Have any assets been sold outside the normal course of business?

Yes No

If yes, please describe the assets which were sold and attach an order by the Court authorizing the sale.

5 Have all funds been deposited in and disbursed from the Chapter 11 debtor bank accounts?

Yes No

6 Are all post-petition accounts receivable due from non-related parties?

Yes No

7 What specific efforts have been made in the past month toward the development of a Plan of Reorganization?

PricewaterhouseCoopers, LLP ("PwC") a forensic accounting firm, has analyzed the receipts of, as well as disbursements of, funds in this case, as well as affiliated cases. PwC prepared an interim report that was filed with the Court on December 15, 2010. The Trustee has filed more than 200 adversary complaints seeking to avoid and recover fraudulent and preferential transfers made by the Debtors for the benefit of creditors. A hearing was held on January 18, 2010 to address and establish scheduling and timing of discovery and various other matters related to the conduct of these filed adversary proceedings.

Additionally, a motion to substantively consolidate PCI and 8 special purpose entity debtors has been filed with the Court.

Defendants filed more than 100 motions to dismiss on all or certain counts of the complaints. The issues have been briefed and a hearing on the motions was originally contemplated being scheduled in June but pursuant to communications from the court will now be rescheduled for September at the earliest. It is presently not contemplated that a plan of reorganization will be filed until such time as material resolution has occurred with respect to the pending litigation.